



CITY OF DURHAM | NORTH CAROLINA

Date: August 24, 2011

To: Thomas Bonfield, City Manager
From: Germaine Brewington, Director of Audit Services
Subject: Transmittal of Collections Follow-Up Performance Audit (August, 2011)

Executive Summary

The Audit Services Department completed the report on the Collections Follow-Up Performance Audit dated August, 2011. The purpose of the audit was to verify if the Department of Water Management and the Department of Finance implemented the recommendations proposed in the Collections Performance Audit dated February 2011.

Background

The February 2011 audit focused on the controls over collection of revenues from the following sources:

- Water fees;
- Sewer fees;
- Storm water fees; and
- Solid waste fees (only solid waste fees charged to the water bill).

The audit concluded that overall, controls over collection of past due water and sewer fees needed to be strengthened. The February 2011 audit proposed six recommendations to address these areas of concern. One recommendation was fully implemented and five recommendations were partially implemented.

Issues and Analysis

The attached report details the objectives, observations, results and recommendations of the August 2011 audit. City management concurs fully with four of the five recommendations proposed; and concurs partially with one recommendation. Management's response to the recommendations is included along with a draft of the Payment Plan Guidelines.

Recommendation

The Department of Audit Services recommends the City Council receive and accept the Collections Follow-Up Performance Audit (August 2011), as presented and approved at the August 22, 2011 Audit Services Oversight Committee meeting.

Attachments